

BEST AVAILABLE COPY**REMARKS**

Claims 1-94, 129-176, and 178-190 are pending in the present application.
Reconsideration of the claims is respectfully requested.

I. 35 U.S.C. § 103, Alleged Obviousness, Claims 1-3, 5-7, 13-21, 23-25, 31-39, 46-54, 61-68, 75-82, and 89-94

The examiner has rejected claims 1-3, 5-7, 13-21, 23-25, 31-39, 46-54, 61-68, 75-82, and 89-94 under 35 U.S.C. Section 103(a) as being allegedly unpatentable over *Lof* (U.S. Patent No. 6,671,585) in view of *Yabutani et al.* (U.S. Patent No. 6,775,595). This rejection is respectfully traversed.

A. 35 U.S.C. § 103, Alleged Obviousness, Claims 1-3, 5-7, 13-21, 23-25, 31-39, and 46-51

With regard to claim 1 being allegedly unpatentable over *Lof* in view of *Yabutani*, the examiner states:

Regarding claims 1, 19 and 37, *Lof* discloses a method, system and computer program product for managing a utility service, comprising the steps of:

- analyzing relationship information representing a relationship of availability of the utility service and consumption of the utility service (Col. 13, lines 37-46; Col. 16, lines 35-42); and, sending a message over a data network to at least one region of a utility service network to thereby modify utility service consumption based on the analysis of the relationship information (Col. 16, lines 40-58 and lines 64-67, please note that load shedding takes place at times of lowered production capacity wherein a message has to be sent in order to cut back the power to certain customers who have agreed to have their power cut back. See also Col. 11, lines 62-65; Col. 12, lines 25-31 and 43-45, i.e., the utility consumption of the hydroelectric would be modified according to the needs of the wind farm).

However, *Lof* does not disclose said message including instructions for modifying utility service consumption of the appliance based on the analysis of the relationship information. But *Yabutani* discloses an energy savings service wherein a supervised load or appliance such as a motor is provided with inverter control operation data to save energy

(Col. 3, lines 5-15). Yabutani discloses that a merit refund corresponding to the saved electric power consumption is calculated referring to the difference between the present electric power consumption data and the inverter control operation data (Col. 3, lines 25-29, please note that the inverter control operation data would modify the energy of the appliance so that savings can be calculated). Yabutani further discloses that the inverter control operation data is collected from the supervisory system through communication means (Col. 3, lines 50-55).

(Office Action, dated September 2, 2005, pages 3-5).

1. The examiner ignored features of claim 1.

While the examiner alleges that *Lof* teaches analyzing relationship information representing a relationship of availability of a utility service and consumption of the utility service, the examiner did not include the feature of an appliance operably connected to the utility service in this allegation. Additionally, the examiner did not allege that any other reference teaches analyzing relationship information representing a relationship of availability of a utility service and consumption of the utility service by an appliance operably connected to the utility service. Furthermore, *Yabutani* does not teach or suggest this claimed feature. Because the examiner ignored features of the claims, the examiner failed to state a prima facie obviousness rejection against these claims.

2. The proposed combination does not teach all of the features of claim 1.

Independent claim 1, which is representative of independent claims 19 and 37 with regard to similarly recited subject matter, recites the following:

1. A method for managing a utility service, the method comprising the steps of:
analyzing relationship information representing a relationship of availability of the utility service and consumption of the utility service by an appliance operably connected to the utility service; and,
sending a message over a data network to at least one region of a utility service network, said message including instructions for modifying utility service consumption of the

appliance based on the analysis of the relationship information.
(emphasis added)

The examiner bears the burden of establishing a prima facie case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). For an invention to be prima facie obvious, the prior art must teach or suggest all claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). The *Lof* and *Yabutani* references cited by the examiner do not render obvious the present invention as recited in independent claims 1, 19, and 37 because the references fail to teach or suggest all claim limitations.

Claim 1 recites the feature of analyzing relationship information representing a relationship of availability of a utility service and consumption of the utility service by an appliance operably connected to the utility service. This claim also recites another feature that a message includes instructions for modifying utility service consumption of the appliance based on the analysis of the relationship information. Analyzing relationship information representing a relationship of availability of a utility service and consumption of the utility service by an appliance operably connected to the utility service and a message that includes instructions for modifying utility service consumption of the appliance based on the analysis of the relationship information are not features taught or suggested in *Lof* or *Yabutani*.

The examiner alleges that *Lof* teaches analyzing relationship information representing a relationship of the availability of a utility service and consumption of the utility service in the following cited sections:

When "ganged" control operation is used, and the response time of the hydroelectric plant 511 is routinely more than a few seconds, the processor 500 may use the data from the meteorological data source/service to predict the amount of surplus/shortfall that will need to be addressed at some predetermined period of time in the future (e.g., 10 seconds or more). In this way, the wind farm 503 (or alternatively the hydroelectric plant 511 itself) may dispatch an "anticipatory" control command to the hydroelectric plant 511, causing the hydroelectric plant 511 to begin to make the necessary adjustments for increasing/decreasing the power production based on the forecasted surplus/shortfall in power production from the wind farm 503 as a result of predicted wind speed increase or decrease.

(*Lof*, column 13, lines 35-48).

Furthermore, the renewable energy control center processor 500, as well as the power system operation management mechanism 602 that controls an optional feature for performing load shedding, cooperate to manage and balance the power that is actually produced versus the actual demand. Load shedding is achieved by contractual relationships (preferably) with certain customers who have agreed to have their power cut back at times of peak need.

(*Lof*, column 16, lines 35-42). However, the cited sections above do not teach analyzing relationship information representing a relationship of availability of a utility service and consumption of the utility service *by an appliance operably connected to the utility service*, as claimed. None of the sections of *Lof* referred by the examiner teach taking into consideration an appliance operably connected to a utility service. In fact, nothing in *Lof* teaches taking into consideration an appliance operably connected to a utility service.

In addition, *Yabutani* does not show the features of claim 1 as asserted by the examiner. Applicants agree with the examiner that *Lof* does not teach a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service. The examiner relies on the following sections in *Yabutani* to teach a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service:

One embodiment of the present invention is directed to an energy saving service offering method which determines the present electric power consumption of the supervised load facility of the user, who owns a supervised load facility, in which there are motors, and who desires to save energy, provides inverter control operation data when installing an inverter in the supervised load facility for performing motor speed control, determines a merit refund corresponding to the saved electric power consumption by referring to the difference between the present electric power consumption data and the inverter control operation data, and performs a charge and billing operation based on a merit refund under the contract conditions established between the energy saving service provider and its contractor.

In the method according to another embodiment of the present invention, the present electric power consumption is obtained from the operation status of the supervised load facility having a motor, the inverter control operation data is provided when installing an inverter in the supervised load facility for performing motor speed control, a merit refund corresponding to the saved electric power consumption is calculated by referring to the difference between the present electric power consumption data and the inverter control operation data, and a billing and charge operation is performed based on a merit refund under the contract conditions established between the energy saving service provider and its contractor.

The inverter control operation data is collected from the supervisory system through a communication means, such as LAN or telephone line. The present electric power consumption data represents the present actual operation status of the supervised load facility or its operation status under an assumed condition.

(*Yabutani*, column 3, lines 5-31 and 50-55). In the sections above, *Yabutani* teaches determining the present electrical power consumption of a user's supervised load facility, installing an inverter for providing motor speed control, and referring to the difference between the electrical power consumption before and after the inverter installation to determine a merit refund under contract conditions between a user and an energy saving service provider.

Yabutani does not teach a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service. In contrast to the present invention, which recites a relationship between an appliance and the availability of a service utility, in *Yabutani* an appliance is not concerned with the availability of a service utility. *Yabutani* teaches a "service provider can estimate the present electric power consumption and the merit refund by precise calculation or approximate calculation and then present the results to the user as prerequisite conditions for the contract." (*Yabutani*, column 4, lines 49-52). In *Yabutani*, a service provider estimates the present service consumption and presents the results to a user as a prerequisite condition for a contract. Consequently, in *Yabutani* the service consumption of an appliance is related only to the previously estimated service consumption that is specified in a contract, not the availability of a

service utility. Therefore, *Yabutani* does not teach a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service.

While the examiner relies on *Yabutani* to teach a message for modifying utility consumption of an appliance, *Yabutani* does not teach or suggest any message for modifying utility consumption of an appliance. In *Yabutani*, after an energy saving service provider determines the present electrical power consumption of a user's supervised load facility, a user takes physical steps to install an inverter for providing motor speed control. After the user takes physical steps to install an inverter for providing motor speed control, operation begins under inverter control. After operation begins under inverter control, the energy saving service provider determines the difference between the electrical power consumption before and after the inverter installation in order to calculate a merit refund under the contract conditions between the user and the energy saving service provider. In contrast to the present invention, which teaches a message for modifying utility consumption of an appliance, in *Yabutani* no message exists for modifying utility consumption of an appliance. Any modification of an appliance's utility consumption in *Yabutani* occurs through the physical intervention of the user, not through a message for modifying utility consumption of an appliance.

The examiner further states that it would be obvious to combine *Lof* with *Yabutani* to arrive at the features of the claimed invention. However, *Yabutani* does not cure the deficiencies in *Lof*. *Yabutani* does not teach or suggest a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service, as recited in claim 1 of the present invention. As described above, *Lof* does not teach these features. Therefore, the combination of *Lof* and *Yabutani* do not render claim 1 unpatentable because the combination does not teach or suggest a message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service.

3. The proposed combination does not result in the claimed invention.

Even if *Lof* were combinable with *Yabutani*, the result of such a combination would not be the invention as recited in claim 1. Rather, such an alleged combination would result in a system for producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, as taught in *Lof*, with a method for calculating saved electrical power due to installation of an inverter, in the manner described by *Yabutani*. Even with the additions of *Lof* and *Yabutani*, there would be no message for modifying utility service consumption of an appliance based on analyzed relationship information representing a relationship of availability of a utility service and consumption of the utility service by the appliance operably connected to the utility service, as recited in claim 1 of the present invention.

4. No motivation, teaching, or suggestion exists to combine the references because the references address different problems.

Furthermore, one of ordinary skill in the art would not combine *Lof* with *Yabutani* when each reference is considered as a whole. In considering a reference as a whole, one of ordinary skill in the art would take into account the problems recognized and solved. As discussed in the Abstract, *Lof* is directed towards a premier power conversion device that provides an alternative source of power for supplementing an output power of a wind turbine generation facility when lull periods for wind speed appear. In summary, *Lof* teaches producing more power at other power plants on a grid in case of a reduction of power production at a windmill location.

In contrast, according to the Abstract, *Yabutani* is directed towards an energy saving service determining a present electrical power consumption and inverter control operation data when an inverter has been installed. The difference between the electrical power consumption before and after the inverter is installed is used to calculate saved electrical power consumption and a merit refund. In summary, *Yabutani* teaches calculation of saved electrical power due to installation of an inverter.

Therefore, there is no motivation to combine the teachings of *Lof* with *Yabutani* in the manner alleged by the examiner. There is no suggestion in *Lof* that there is a need for saving electrical power through installation of an inverter, such as that taught by *Yabutani*. In fact, *Lof* is directed toward producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, not modifying utility service consumption of a consumer.

Moreover, there is no suggestion in *Yabutani* of a need to combine the calculation of saved electrical power due to installation of an inverter of *Yabutani* with producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, such as that taught by *Lof*. There is no need, let alone any suggestion in *Yabutani* for determining the level of power available. Thus, the alleged motivation offered by the examiner is not based on the actual teaching of the references.

Consequently, there is no teaching or suggestion in the references as to the desirability of including the features from other references. The mere fact that a prior art reference can be readily modified does not make the modification obvious unless the prior art suggested the desirability of the modification. *In re Laskowski*, 871 F.2d 115, 10 U.S.P.Q.2d 1397 (Fed. Cir. 1989) and also see *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992) and *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1993). The examiner may not merely state that the modification would have been obvious to one of ordinary skill in the art without pointing out in the prior art a suggestion of the desirability of the proposed modification. The examiner has failed to demonstrate any motivation or incentive in the prior art to combine and modify the references so as to achieve the claimed invention. The only motivation to even to attempt to combine *Lof* and *Yabutani* is to try to arrive at Applicant's claimed invention and thus, the alleged combination is a result of impermissible hindsight reconstruction using Applicant's own disclosure as an aide. While Applicant understands that all examination entails some measure of hindsight, when the rejection is based completely on hindsight, as in the present case, rather than only what is gleaned from the references by one of ordinary skill in the art, then the rejection is improper and should be withdrawn.

5. The claimed invention solves a problem not recognized by the references.

The claimed invention solves an unrecognized problem. As recited in claim 1, the present invention recognizes the problems involved with modifying utility service consumption of an appliance in utility service network based on a relationship of availability of the utility service. When the availability of utility service is limited, the present invention may modify the utility service consumption of an appliance in a utility network, a feature lacking in both *Lof* and *Yabutani*, alone or in combination. Neither *Lof* nor *Yabutani* recognize this problem. Therefore, one of ordinary skill in the art would not be motivated to combine *Lof* and *Yabutani* in the manner required to form the solution presented in the claimed invention.

In conclusion, independent claims 1, 19, and 37 are not taught or suggested by the alleged combination of *Lof* and *Yabutani*. Accordingly, Applicant respectfully requests withdrawal of the rejection of independent claims 1, 19, and 37 under 35 U.S.C. §103.

Claims 2-3, 5-7, 13, 15-18, 20, 21, 23-25, 31, 33-36, 38, 39, 46, and 48-51 are dependent claims depending on independent claims 1, 19, and 37, respectively. Applicants have already demonstrated claims 1, 19, and 37 to be in condition for allowance. Applicants respectfully submit that claims 2-3, 5-7, 13, 15-18, 20, 21, 23-25, 31, 33-36, 38, 39, 46, and 48-51 are also allowable, at least by virtue of their dependency on allowable claims. Consequently, it is respectfully urged that the rejection of claims 1-3, 5-7, 13, 15-21, 23-25, 31, 33-39, 46, and 48-51 have been overcome, and such a notice is respectfully requested.

B. 35 U.S.C. § 103, Alleged Obviousness, Claims 52-54, 61-68, 75-82, and 89-94

With regard to claim 52 being allegedly unpatentable over *Lof* in view of *Yabutani*, the examiner states:

Regarding claims 52, 66, 80, and 94, *Lof* discloses a method, apparatus and readable medium for managing consumption of a utility, comprising:

- receiving a message from a utility service provider (Col. 33, lines 43-48, i.e., control message is sent to the alternative energy production facility); generating at least one message for at least one region of a utility service network, the at least one message

instructing a region to modify utility consumption by the at least one region; and sending the at least one message to the at least one region (Col. 33, lines 58-65; Col. 12, lines 25-31).

However, Lof does not disclose said message including instructions for modifying utility service consumption of the appliance based on the analysis of the relationship information. But Yabutani discloses an energy savings service wherein a supervised load or appliance such as a motor is provided with inverter control operation data to save energy (Col. 3, lines 5-15). Yabutani discloses that a merit refund corresponding to the saved electric power consumption is calculated referring to the difference between the present electric power consumption data and the inverter control operation data (Col. 3, lines 25-29, please note that the inverter control operation data would modify the energy of the appliance so that savings can be calculated). Yabutani further discloses that the inverter control operation data is collected from the supervisory system through communication means (Col. 3, lines 50-55).

(Office Action, dated September 2, 2005, page 5).

1. **The proposed combination does not teach all of the features of claim 52.**

Independent claim 52, which is representative of independent claims 66, 80, and 94 with regard to similarly recited subject matter, recites the following:

52. A method of managing consumption of a utility, comprising:
generating at least one message for at least one region of a utility service network, the at least one message including instructions for modifying utility consumption of an appliance in the at least one region;
and
sending the at least one message to the at least one region.

The *Lof* and *Yabutani* references cited by the examiner do not render obvious the present invention as recited in independent claims 52, 66, 80, and 94 because the references fail to teach or suggest all claim limitations. Claim 52 recites the feature of generating a message for a region of a utility service network, the message including instructions for modifying utility consumption of an appliance in the region. This claim also recites the further feature of sending the message to the region. Generating and sending a message to modify utility consumption of an appliance in a region of a utility network are not features taught or suggested in *Lof* or *Yabutani*.

Applicants agree with the examiner that *Lof* does not teach a message for modifying utility service consumption of an appliance. The examiner relies on the sections in *Yabutani* quoted above in regard to claim 1 to teach a message for modifying utility service consumption of an appliance.

As previously mentioned in regard to claim 1, in the quoted sections above *Yabutani* teaches determining the present electrical power consumption of a user's supervised load facility, installing an inverter for providing motor speed control, and referring to the difference between the electrical power consumption before and after the inverter installation to determine a merit refund under contract conditions between the user and an energy saving service provider. *Yabutani* does not teach generating and sending a message to modify utility consumption of an appliance in a region of a utility network. In contrast to the present invention, which claims an appliance in a region of a utility network, in *Yabutani* an appliance is not concerned with a utility network, much less a region of a utility network. As mentioned above in regard to claim 1, in *Yabutani* the service consumption of an appliance is related only to the previously estimated service consumption that is specified in a contract. Consequently, in *Yabutani* the service consumption of an appliance is not related to the service consumption of a utility network or a region of a utility network. Therefore, *Yabutani* does not teach generating and sending a message to modify utility consumption of an appliance in a region of a utility network.

The examiner further states that it would be obvious to combine *Lof* with *Yabutani* to arrive at the features of the claimed invention. However, *Yabutani* does not cure the deficiencies in *Lof*. *Yabutani* does not teach or suggest generating and sending a message to modify utility consumption of an appliance in a region of a utility network, as recited in claim 52 of the present invention. As described above, *Lof* does not teach these features. Therefore, the combination of *Lof* and *Yabutani* not render claim 52 unpatentable because the combination does not teach or suggest generating and sending a message to modify utility consumption of an appliance in a region of a utility network.

2. The proposed combination does not result in the claimed invention.

Even if *Lof* were combinable with *Yabutani*, the result of such a combination would not be the invention as recited in claim 52. Rather, such an alleged combination would result in a system for producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, as taught in *Lof*, with a method for calculating saved electrical power due to installation of an inverter, in the manner described by *Yabutani*. Even with the additions of *Lof* and *Yabutani*, there would be no generating and sending a message to modify utility consumption of an appliance in a region of a utility network, as recited in claim 52 of the present invention.

3. No motivation, teaching, or suggestion exists to combine the references because the references address different problems.

Furthermore, as discussed above in regard to claim 1, one of ordinary skill in the art would not combine *Lof* with *Yabutani* when each reference is considered as a whole. As also noted above in regard to claim 1, there is no teaching or suggestion in the references as to the desirability of including the features from other references. The mere fact that a prior art reference can be readily modified does not make the modification obvious unless the prior art suggested the desirability of the modification. The examiner may not merely state that the modification would have been obvious to one of ordinary skill in the art without pointing out in the prior art a suggestion of the desirability of the proposed modification. The examiner has failed to demonstrate any motivation or incentive in the prior art to combine and modify the references so as to achieve the claimed invention. The only motivation to even to attempt to combine *Lof* and *Yabutani* is to try to arrive at Applicant's claimed invention and thus, the alleged combination is a result of impermissible hindsight reconstruction using Applicant's own disclosure as an aide. While Applicant understands that all examination entails some measure of hindsight, when the rejection is based completely on hindsight, as in the present case, rather than only what is gleaned from the references by one of ordinary skill in the art, then the rejection is improper and should be withdrawn.

4. The claimed invention solves a problem not recognized by the references.

The claimed invention solves an unrecognized problem. As recited in claim 52, the present invention recognizes the problems involved with modifying utility service consumption of an appliance in a region of a utility service network. When the availability of utility service is limited, the present invention may modify the utility service consumption of an appliance in a region of a utility network, a feature lacking in both *Lof* and *Yabutani*, alone or in combination. Neither *Lof* nor *Yabutani* recognize this problem. Therefore, one of ordinary skill in the art would not be motivated to combine *Lof* and *Yabutani* in the manner required to form the solution presented in the claimed invention.

In conclusion, independent claims 52, 66, 80, and 94 are not taught or suggested by the alleged combination of *Lof* and *Yabutani*. Accordingly, Applicant respectfully requests withdrawal of the rejection of independent claims 52, 66, 80, and 94 under 35 U.S.C. §103.

Claims 53, 54, 61, 63-65, 67, 68, 75, 77-79, 81, 82, and 89-93 are dependent claims depending on independent claims 52, 66, and 80, respectively. Applicants have already demonstrated claims 52, 66, and 80 to be in condition for allowance. Applicants respectfully submit that claims 53, 54, 61, 63-65, 67, 68, 75, 77-79, 81, 82, and 89-93 are also allowable, at least by virtue of their dependency on allowable claims. Consequently, it is respectfully urged that the rejection of claims 52-54, 61, 63-68, 75, 77-82, and 89-93 have been overcome, and such a notice is respectfully requested.

Additionally, dependent claims 2, 3, 18, 20, 21, 36, 38, 39, 51, 53, 54, 67, 68, 81, and 82 recite other additional combinations of features not suggested by *Lof* or *Yabutani*.

C. 35 U.S.C. § 103, Alleged Obviousness, claims 2, 20, 38, 53, 67, and 81

With regard to claim 2 being allegedly unpatentable over *Lof* in view of *Yabutani*, the examiner states:

Regarding claims 2-3, 5-7, 13-18, 20-21, 23-25, 31-36, 38-39, 46-51, 53-54, 61-65, 67-68, 75-79, 81-82, 89-93, *Lof* discloses,

- the message instructs at least one region permitting increased power consumption (Col. 11, lines 65- Col. 12, line 2);

(Office Action dated September 2, 2005, page 3). Dependent claim 2, which is representative of dependent claims 20, 38, 53, 67, and 81 with regard to similarly recited subject matter, recites the following:

2. The method of claim 1, wherein the message includes instructions for permitting increased power consumption by the appliance.

Neither *Lof* nor *Yabutani*, alone, or in combination, teach or suggest that a message includes instructions for permitting increased power consumption by an appliance, as claimed in claim 2 of the present invention. In the Office Action, the examiner alleges that in the following cited section *Lof* teaches that a message includes instructions for permitting increased power consumption by an appliance:

Using the cooperative arrangement the energy output obligation from the wind farm is achieved by asking the hydroelectric plant 511 to output sufficient power to compensate for the temporary short fall from the wind farm.

(*Lof*, column 11, line 65 to column 12, line 2). The cited section teaches meeting an energy output obligation from a wind farm by compensating with sufficient power from a hydroelectric plant during a temporary shortfall at the windmill farm. The cited section does not teach or suggest a message includes instructions for permitting increased power consumption by an appliance, as recited in claim 2. Furthermore, *Yabutani* does not teach or suggest this claimed feature. The cited section of *Lof* teaches maintaining power available to customers, not permitting increased power consumed by an appliance. Thus, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claim 2. Because claim 2 is representative of dependent claims 20, 38, 53, 67, and 81 with regard to similarly recited subject matter, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claims 2, 20, 38, 53, 67, and 81.

D. 35 U.S.C. § 103. Alleged Obviousness, claims 3, 21, 39, 54, 68, and 82

With regard to claim 3 being allegedly unpatentable over *Lof* in view of *Yabutani*, the examiner states:

Regarding claims 2-3, 5-7, 13-18, 20-21, 23-25, 31-36, 38-39, 46-51, 53-54, 61-65, 67-68, 75-79, 81-82, 89-93, *Lof* discloses . . .

- the message instructs at least one region permitting decreased power consumption (Col. 11, lines 65- Col. 12, line 2);

(Office Action dated September 2, 2005, page 3). Dependent claim 3, which is representative of dependent claims 21, 39, 54, 68, and 82 with regard to similarly recited subject matter, recites the following:

3. The method of claim 1, wherein the message includes instructions for permitting decreased power consumption by the appliance.

Neither *Lof* nor *Yabutani*, alone, or in combination, teach or suggest that a message includes instructions for permitting decreased power consumption by an appliance, as claimed in claim 3 of the present invention. In the Office Action, the examiner alleges that in the following cited sections *Lof* teaches that a message includes instructions for permitting decreased power consumption by an appliance:

More particularly, in the event of over capacity production by the wind farm 503, the premier power facilities 505 communicates this condition to the control center processor 500, which sends a message to the hydroelectric plant 511, requesting that the hydroelectric plant 511 produce a corresponding lesser amount of electric power during this period of overproduction.

In this way, the wind farm 503 (or alternatively the hydroelectric plant 511 itself) may dispatch an "anticipatory" control command to the hydroelectric plant 511, causing the hydroelectric plant 511 to begin to make the necessary adjustments for increasing/decreasing the power production based on the forecasted surplus/shortfall in power production from the wind farm 503 as a result of predicted wind speed increase or decrease.

(*Lof*, column 12, lines 25-31; column 13, lines 41-46). The cited sections teach responding to an over capacity production by a wind farm through requesting a hydroelectric plant to produce a corresponding lesser amount of electric power during the period of overproduction at the wind farm. The cited sections do not teach or suggest a message includes instructions for permitting decreased power consumption by an appliance, as recited in claim 3. Furthermore, *Yabutani* does not teach or suggest this claimed feature. The cited sections of *Lof* teach maintaining power available to customers, not permitting decreased power consumed by an appliance. Thus, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claim 3. Because

claim 3 is representative of dependent claims 21, 39, 54, 68, and 82 with regard to similarly recited subject matter, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claims 3, 21, 39, 54, 68, and 82.

E. 35 U.S.C. § 103, Alleged Obviousness, claims 18, 36, and 51

With regard to claim 18 being allegedly unpatentable over *Lof* in view of *Yabutani*, the examiner states:

Regarding claims 2-3, 5-7, 13-18, 20-21, 23-25, 31-36, 38-39, 46-51, 53-54, 61-65, 67-68, 75-79, 81-82, 89-93, *Lof* discloses . . .

- analyzing historical data relating conditions of sale of the utility service to consumption levels of the utility service; and generating the message based on the analysis of the relationship information and the analysis of the historical data.

(Office Action dated September 2, 2005, pages 3-4). Dependent claim 18, which is representative of dependent claims 36 and 51 with regard to similarly recited subject matter, recites the following:

18. The method of claim 1, further comprising:
analyzing historical data relating conditions of sale of the utility service to consumption levels of the utility service; and
generating the message based on the analysis of the relationship information and the analysis of the historical data.

Neither *Lof* nor *Yabutani* teach or suggest analyzing historical data relating conditions of sale of the utility service to consumption levels of the utility service, as claimed in claim 18 of the present invention. The examiner alleges that *Lof* teaches or suggests analyzing historical data relating conditions of sale of the utility service to consumption levels of the utility service. However, the examiner provides no support from *Lof* to demonstrate that *Lof* actually teaches or suggests the features regarding historical data, as claimed. *Lof* does not teach or suggest analyzing historical data relating conditions of sale of the utility service to consumption levels of the utility service. Furthermore, *Yabutani* does not teach or suggest this claimed feature. Thus, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claim 18. Because claim 18 is representative of dependent claims 36 and 51 with regard to similarly recited subject

matter, neither *Lof* nor *Yabutani*, alone or in combination, teach or suggest the features of claims 18, 36, and 51.

II. 35 U.S.C. § 103, Alleged Obviousness, Claims 10-12, 28-30, 43-45, 58-60, 72-74, 86-88, 129-176, and 178-190

The examiner has rejected claims 10-12, 28-30, 43-45, 58-60, 72-74, 86-88, 129-176, and 178-190 under 35 U.S.C. Section 103(a) as being allegedly unpatentable over *Lof* and *Yabutani* in further view of *Johnson et al.* (Patent Application U.S. 2004/0015433 A1). This rejection is respectfully traversed.

With regard to claims 10-12, 28-30, 43-45, 58-60, 72-74, 86-88, 129-176, and 178-190 being allegedly unpatentable over *Lof* and *Yabutani* in further view of *Johnson*, the examiner states:

Regarding claims 10-12, 28-30, 43-45, 58-60, 72-74, 86-88, 129-176 and 178-190, the same citations applied to claims 1-9, 13-27, 31-42, 46-57, 61-71, 75-85, 89-94, above apply as well for these claims. However, *Lof* and *Yabutani* fail to disclose associating a customer system with *a class of utility service*; identifying a class of utility service, and *changing the class of utility service*. *Lof* and *Yabutani* further fail to disclose auctioning or negotiating a class of utility service and changing dynamically or unilaterally the class of utility service; the change of class of utility service is based on a cost increase, decrease or available amount of utility service. *Lof* and *Yabutani* further fail to disclose auctioning or negotiating a class of utility service and changing dynamically or unilaterally the class of utility service; the change of class of utility service is based on a cost increase, decrease or available amount of utility service.

But *Johnson et al.* discloses associating a customer system with *a class of utility service* and identifying a class of utility service, and *changing the class of utility service* (Page 4, [0021]; Page 2, [0009], lines 4-11). *Johnson* further discloses auctioning or negotiating a class of utility service (Page 3, [0017], lines 10-20; Page 4 [0019]); and changing dynamically or unilaterally the class of utility service (Page 2, [0012]); the change of class of utility service is based on a cost increase, decrease or available amount of utility service (Page 5, [0042], lines 21-46; [0025]).

Therefore, it would have been obvious to a person of the ordinary skill in the art at the time the invention was made to combine the power production facility of *Lof* and *Yabutani* with the bidding for energy supply to customers system of *Johnson*.

because it would provide an auction service that will stimulate competition and facilitate the consumer's ability to make economic choices between providers (*Johnson*, Page 3, [0017], lines 10-20).

(Office Action of September 2, 2005, pages 6-7, with emphasis in the original).

A. 35 U.S.C. § 103, Alleged Obviousness, Claims 129-176 and 178-190

1. The proposed combination does not teach all of the features of claim 129.

Independent claim 129, which is representative of independent claims 148, 159, 171, and 183 with regard to similarly recited subject matter, recites the following:

129. A method of doing business for providing utility service, comprising:

analyzing an operation of a utility system;
associating a customer system with a class of utility service;
sending a message to the customer system changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system. (emphasis added)

Neither *Lof* nor *Yabutani* nor *Johnson*, alone, or in combination, teach or suggest the features of associating a customer system with a class of utility service or changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system, as claimed. With regard to the features of associating a customer system with a class of utility service and changing a service parameter of the utility service associated with the customer system, Applicants agree with the examiner that *Lof* and *Yabutani* fail to disclose these claimed features. With regard to the features of associating a customer system with a class of utility service and changing a service parameter of the utility service associated with the customer system, the examiner asserts that *Johnson* discloses the claimed features, citing the following sections from *Johnson*:

From the list of all Providers providing bid information to the Moderator, each control computer (or the Moderator) can select those Providers from whom participating end users or resellers will

be provided electric power or natural gas and can change that selection at any time. After each new bid is submitted by a Provider and is processed by the Moderator, the rate and/or provider selection data will be transmitted to the relevant control computers (or retained by the Moderator if the Moderator will perform the functions of the control computer, including selecting a Provider for each set of end users or resellers) and rate information will be distributed to some or all of the Providers in order to implement the auction. A Provider, for example, may not be interested in receiving the bids of other Providers who are not active in the same geographic regions. All Providers will have the opportunity thereafter to submit a lower or higher bid for any end user (or any reseller or group of resellers) or group of end users to whom they wish to supply electric power or natural gas.

These tariffs, filed by the local utility with the applicable state PUC, set forth specific rates to be charged to different classes of customers - e.g., large industrial and commercial end users often pay rates based on peak demand as well as total volume consumed, whereas the rates paid by residential customers typically relate only to total volume consumed. Some tariffs call for different rates depending on time of use (e.g., peak v. off-peak pricing).

(*Johnson*, page 4, paragraph 21; page 2, paragraph 9, lines 4-11). The cited sections of *Johnson* discuss selecting providers from whom participating end users will be provided electric power and discuss different tariffs are charged to different classes of end users. Examples of classes of end users include industrial and residential end users. However, nothing in *Johnson* teaches or suggests associating a customer system with a class of utility system, or changing a service parameter of the utility service associated with the customer system, as claimed. A customer system, as defined in the specification, is:

a customer computer associated with the customer's electrical network and connected via the world wide web network, an intranet or other connection system to a second computer or computer server affiliated with the electric utility. The customer system also includes, but is not limited to, the customer's electrical network, power outlets, phone jacks, CATV outlets and appliances connected thereto.

(Specification, page 8, lines 3-8). Nothing in *Johnson* teaches or suggests associating a customer computer connected to a computer or computer server affiliated with an electrical utility. Even if the claim is not limited by the disclosure in the specification,

nothing in *Johnson* actually teaches or suggests associating a class of utility service with anything that could be construed as a customer system, wherein the customer system is capable of receiving a message changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system. Thus, while *Johnson* may note that customers may be classified for purposes of imposing tariffs, *Johnson* does not show or suggest associating such classifications with individual customer systems capable of receiving messages changing a service parameter of the utility system provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system. Furthermore, neither *Lof* nor *Yabutani* teach or suggest this claimed feature. Because neither *Johnson* nor *Lof* nor *Yabutani* teach or suggest this claimed feature, the proposed combination does not result in the claimed inventions.

In addition, *Lof* nor *Yabutani* nor *Johnson*, alone, or in combination, teach or suggest changing a service parameter provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system, as claimed. The examiner asserts otherwise, citing the above quoted sections of *Johnson* and citing the following additional sections of *Johnson*:

In many states or geographic regions, local electric utilities have formed wholesale power pools in which they share power, as needed, with other members of the pool under arrangements and according to rules previously agreed to by all the members. In some of these power pools, the members' generating facilities and key portions of their respective power grids are placed under the control of a regional or pool controller who manages the continuous balancing of power being transmitted across these grids for greatest efficiency and at lowest cost to the members. The pool controller in some cases, for example, will advise the pool members on one day of the power he expects to need during each hour of the following day, in order to satisfy the projected aggregate demand on the pool's combined grid by the utilities' customers. Each member is invited to submit offers (quantities and prices) of the power it is willing to supply to the combined grid. Starting with the lowest-priced power first, the controller accepts

such offers until he reaches the aggregate quantity he needs for each hour of the next day. Typically, the clearing price - the price of the last unit of power needed by the controller to meet his projected demand for each hour - is used to set the price that all suppliers for that hour will receive, notwithstanding that some of the accepted offers were at prices lower than the clearing price. This approach ensures an efficient but equitable least-cost wholesale pricing arrangement among the pool members.

Through this bidding process, Providers can compete to supply electric power or natural gas to end users and resellers based on available capacity, delivery destinations, volume discounts, peak period requirements, etc. Providers can also manage their power generation, gas production and/or energy provisioning activities by adjusting their bids from time to time, depending on capacity utilization or other energy availability factors. And end users (and resellers) can easily make economic choices among competing Providers.

(iii)the Moderator transmits back to the bidders some or all of the bids received from the other bidding Providers, giving them an opportunity to adjust some or all of their bids;(iv)the Moderator transmits to each control computer such rate information and/or provider selection data as is relevant to the end user or group of end users (or resellers) associated with that control computer;(v)using the information received from the Moderator, each control computer selects the Provider offering the lowest rate (or best economic value) at that time to the end users (or resellers) associated with that control computer (after applying any decision rules formulated and inputted by the control computer's administrator and/or formulated and transmitted to the applicable control computer by any end user or reseller) and transmits such selection to the Moderator;(vi)for those end users or resellers not associated with a control computer, the Moderator will perform all of the functions the control computer would otherwise perform, including selecting the Provider offering the lowest rate (or best economic value) at that time to each such end user;(vii)the Moderator (or applicable control computer) transmits a notification to the selected Provider (which may also specify the estimated energy requirements of the set of end users to be served) and, perhaps, copies of such notification to the end user's local energy distribution company (DISCO) and to the respective Provider supplying power or natural gas to this end user immediately prior to the start of energy deliveries by the newly-selected Provider

(*Johnson*, page 2, paragraph 12; page 4, paragraph 25; and page 5, paragraph 42, lines 21-46). The sections of *Johnson* quoted directly above describe a method of allocating energy from a power pool through a bidding process. *Johnson* teaches that energy from the power pool is eventually distributed to an end user or a group of end users. However, *Johnson* does not teach or suggest sending a message to the customer system changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system, as recited in claim 129 of the present invention. While *Johnson* teaches specific rates to be charged to different classes of customers, *Johnson* does not teach or suggest changing a class or changing a type of service for a customer, much less changing a service parameter provided to the customer system based on a class of utility service, as asserted by the examiner. Furthermore, as discussed above, *Johnson* is devoid of disclosure regarding individual customer systems. Therefore, *Johnson* also does not teach or suggest changing a service parameter provided to a customer system in further response to the class of utility service associated with the customer system, as claimed. Furthermore, neither *Lof* nor *Yabutani* teach or suggest this claimed feature. Thus, contrary to the examiner's assertions, neither *Johnson* nor *Lof* nor *Yabutani* teach or suggest the limitations of claim 129. Accordingly, the proposed combination again does not result in the invention of claim 129.

The examiner further states that it would be obvious to combine *Lof* and *Yabutani* with *Johnson* to arrive at the features of the claimed invention. However, *Johnson* does not cure the deficiencies in *Lof* and *Yabutani*. *Johnson* does not teach or suggest associating a customer system with a class of utility service or changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system, as recited in claim 129 of the present invention. As discussed above, *Lof* and *Yabutani* do not teach these features. Therefore, the combination of *Lof* and *Yabutani* with *Johnson* do not render claim 129 unpatentable because the combination does not describe, teach, or suggest associating a customer system with a class of utility service or changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility

system, and in further response to the class of utility service associated with the customer system.

2. The proposed combination does not result in the claimed invention.

Even if *Lof* and *Yabutani* were combinable with *Johnson*, the result of such a combination would not be the invention as recited in claim 129. Rather, such an alleged combination would result in a system for producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, as taught in *Lof*, with a method for calculating saved electrical power due to installation of an inverter, in the manner described by *Yabutani*, and an auction service that stimulates competition between energy suppliers, as disclosed by *Johnson*. Even with the additions of *Lof*, *Yabutani*, and *Johnson*, there would be no associating a customer system with a class of utility service or changing a service parameter of the utility service provided to the customer system in response to a change in the operation of the utility system, and in further response to the class of utility service associated with the customer system, as recited in claim 129 of the present invention.

3. No motivation, teaching, or suggestion exists to combine the references because the references address different problems.

Furthermore, one of ordinary skill in the art would not combine *Lof* and *Yabutani* with *Johnson* when each reference is considered as a whole. In considering a reference as a whole, one of ordinary skill in the art would take into account the problems recognized and solved. As discussed above in regard to claim 1, *Lof* is directed to producing more power at other power plants on a grid in case of a reduction of power production at a windmill location. As also discussed above in regard to claim 1, *Yabutani* is directed to calculation of saved electrical power due to installation of an inverter.

In contrast, according to the Abstract, *Johnson* is directed towards an auction service that stimulates competition between energy suppliers. Each supplier's offers can be changed to reflect each supplier's capacity utilization. In summary, *Johnson* teaches an auction service that stimulates competition between energy suppliers.

Therefore, there is no motivation to combine the teachings of *Lof* and *Yabutani* with *Johnson* in the manner alleged by the examiner. There is no suggestion in *Lof* or *Yabutani* that there is a need for an auction service that stimulates competition between energy suppliers, such as that taught by *Johnson*. In fact, *Lof* is directed toward producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, and *Yabutani* is directed toward calculation of saved electrical power due to installation of an inverter. Neither *Lof* nor *Yabutani* teaches or suggests competition between energy suppliers.

Moreover, there is no suggestion in *Johnson* of a need to combine the auction service that stimulates competition between energy suppliers of *Johnson* with producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, such as that taught by *Lof*, or the calculation of saved electrical power due to installation of an inverter approach of *Yabutani*. There is no need, let alone any suggestion in *Johnson* for producing more power in case of a reduction of power production at a windmill location or saving electrical power due to installation of an inverter. Thus, the alleged motivation offered by the examiner is not based on the actual teaching of the references.

Consequently, there is no teaching or suggestion in the references as to the desirability of including the features from other references. The mere fact that a prior art reference can be readily modified does not make the modification obvious unless the prior art suggested the desirability of the modification. The examiner may not merely state that the modification would have been obvious to one of ordinary skill in the art without pointing out in the prior art a suggestion of the desirability of the proposed modification. The examiner has failed to demonstrate any motivation or incentive in the prior art to combine and modify the references so as to achieve the claimed invention. The only motivation to even to attempt to combine *Lof* and *Yabutani* with *Johnson* is to try to arrive at Applicant's claimed invention and thus, the alleged combination is a result of impermissible hindsight reconstruction using Applicant's own disclosure as an aide. While Applicant understands that all examination entails some measure of hindsight, when the rejection is based completely on hindsight, as in the present case, rather than

only what is gleaned from the references by one of ordinary skill in the art, then the rejection is improper and should be withdrawn.

4. The claimed invention solves a problem not recognized by the references.

The claimed invention solves an unrecognized problem. As recited in claim 129, the present invention recognizes the problems involved with associating customer systems with a class of utility service and modifying a service parameter of the utility based on the resulting classifications. Neither *Lof* nor *Yabutani* nor *Johnson* recognizes this problem. Therefore, one of ordinary skill in the art would not be motivated to combine *Lof* and *Yabutani* with *Johnson* in the manner required to form the solution presented in the claimed invention.

In conclusion, independent claims 129, 148, 159, 171, and 183 are not taught or suggested by the alleged combination of *Lof* and *Yabutani* with *Johnson*. Accordingly, Applicant respectfully requests withdrawal of the rejection of independent claims 129, 148, 159, 171, and 183 under 35 U.S.C. §103.

Claims 130-147, 149-158, 160-170, 172-176, 178-182, and 184-190 are dependent claims depending on independent claims 129, 148, 159, 171, and 183, respectively. Applicants have already demonstrated claims 129, 148, 159, 171, and 183 to be in condition for allowance. Applicants respectfully submit that claims 130-147, 149-158, 160-170, 172-176, 178-182, and 184-190 are also allowable, at least by virtue of their dependency on allowable claims. Consequently, it is respectfully urged that the rejection of claims 129-176 and 178-190 have been overcome, and such a notice is respectfully requested.

Additionally, dependent claims 130 and 132 recite other additional combinations of features not suggested by *Lof*, *Yabutani*, or *Johnson*.

B. 35 U.S.C. § 103, Alleged Obviousness, Claim 130

The examiner rejects claim 130 as allegedly obvious in view of *Lof* and *Yabutani* in further view of *Johnson* for the reasons quoted above in the beginning of section II. Dependent claim 130 recites the following:

130. The method of Claim 129 wherein the association of a customer system with a class of utility service is dynamic.

Neither *Lof* nor *Yabutani* nor *Johnson*, alone, or in combination, teach or suggest wherein an association of a customer system with a class of utility service is dynamic, as claimed. The examiner asserts that *Johnson* discloses wherein an association of a customer system with a class of utility service is dynamic, citing page 2, paragraph 12 of *Johnson*, which is quoted above in regard to claim 129.

Paragraph 12 of *Johnson* teaches that a pool controller will advise pool members of the power he expects to need during each hour of the following day in order to satisfy the projected aggregate demand. Each pool member submits offers of the power the pool member will supply to the power grid. The controller accepts offers from the lowest price to the highest price until the power demand is satisfied. Thus, this section of *Johnson* teaches an auction between power providers for providing power to a power grid. In contrast, claim 130 specifies that the association of a customer system with a class of utility service is dynamic. *Johnson* teaches nothing regarding the place of the customer during the auction process. As discussed above in regard to claim 129, the alleged combination of *Lof*, *Yabutani*, and *Johnson* does not teach or suggest an individual customer system. Consequently, neither *Johnson* nor *Lof* nor *Yabutani*, alone or in combination, teach or suggest anything regarding dynamically associating an individual customer system with a class of utility system, as claimed. Thus, the proposed combination does not result in the invention of claim 130.

Additionally, claim 130 is dependent from claim 129, which Applicants have already demonstrated to be in condition for allowance. Consequently, it is respectfully urged that the rejection of claim 130 has been overcome, and such a notice is respectfully requested.

C. 35 U.S.C. § 103, Alleged Obviousness, Claim 132

The examiner rejects claim 132 as allegedly obvious in view of *Lof* and *Yabutani* in further view of *Johnson* for the reasons quoted above in the beginning of section II. Dependent claim 132 recites the following:

132. The method of Claim 130 wherein a change in the class of utility service provided to the customer system is based on a cost increase in utility service.

Neither *Lof* nor *Yabutani* nor *Johnson* show or suggest wherein a change in the class of utility service provided to the customer system is based on a cost increase in utility service, as claimed. The examiner asserts that *Johnson* discloses wherein a change in the class of utility service provided to the customer system is based on a cost increase in utility service, citing page 5, and paragraph 42 of *Johnson*, which is quoted above in regard to claim 129.

However, as mentioned above in regard to claim 129, *Johnson* does not teach or suggest an individual customer system, much less changing a class of utility service provided to a customer system. Instead, *Johnson* teaches an auction process among power providers to provide power to a power grid. Furthermore, neither *Lof* nor *Yabutani* teach or suggest an individual customer system. Thus, the proposed combination does not result in the invention of claim 132.

Additionally, claim 132 is dependent from claim 130, which Applicants have already demonstrated to be in condition for allowance. Consequently, it is respectfully urged that the rejection of claim 132 has been overcome, and such a notice is respectfully requested.

D. 35 U.S.C. § 103, Alleged Obviousness, Claims 10-12, 14, 28-30, 32, 43-45, 47, 58-60, 62, 72-74, and 76

The examiner rejects claims 10-12, 28-30, 43-45, 58-60, and 72-74 as allegedly obvious in view of *Lof* and *Yabutani* in further view of *Johnson* for the reasons quoted above in the beginning of section II. Independent claim 10, which is representative of independent claims 28, 43, 58, and 72 with regard to similarly recited subject matter, recites the following:

10. A method for managing a utility service, the method comprising the steps of:
analyzing relationship information representing a relationship of availability of the utility service and consumption of the utility service; and,

sending a message over a data network to at least one region of a utility service network to thereby modify utility service consumption based on the analysis of the relationship information; wherein each region of the utility service network is classified into a class of service. (emphasis added)

1. The examiner ignored features of claim 10.

The examiner does not specifically allege that *Lof*, *Yabutani*, or *Johnson* teach or suggest, alone, or in combination, modifying utility service consumption in a region of a utility service network or classifying a region of a utility service network into a class of service. Because the examiner ignored features of the claims, the examiner failed to state a *prima facie* obviousness rejection against these claims. Neither *Lof* nor *Yabutani* nor *Johnson*, alone, or in combination, teaches or suggests modifying utility service consumption in a region of a utility service network or classifying a region of a utility service network into a class of service, as recited in claim 10.

2. The proposed combination does not teach all of the features of claim 10.

As discussed above in regard to claim 1, *Lof* teaches a system for producing more power at other power plants on a grid in case of a reduction of power production at a windmill location. *Lof* also teaches service contracts for reducing power available to certain customers when a reduction in power available occurs. However, *Lof* does not teach or suggest modifying the actual utility service consumption in a region of a utility service network. Instead, *Lof* only teaches modifying the total power available to all customers. There is a distinction between directly reducing the actual customer power consumption and reducing the power available to customers. In *Lof*, customer power consumption may have to change in response to a reduction of available power. However, in the present invention a reduction of available power may have no effect on customer power consumption in one region of a utility service network if customer power consumption is reduced for another region of the utility service network.

Neither *Yabutani* nor *Johnson* cures this deficiency in *Lof*. *Johnson* does not teach modifying utility service consumption in a region of a utility service network because *Johnson* is unconcerned with the end user, except in how the end users indirectly

affect the auction process among the power providers. *Johnson* does not teach modifying utility service consumption, much less modifying utility service consumption in a region of a utility service network. *Yabutani* teaches an energy saving service offered at a supervised load facility. *Yabutani* is not concerned with a utility network, much less modifying utility service consumption in a region of a utility service network. Because neither *Lof*, nor *Yabutani*, nor *Johnson* teach or suggest modifying utility service consumption in a region of a utility service network, the proposed combination does not result in the invention as recited in claim 10.

Likewise, neither *Lof* nor *Yabutani* nor *Johnson* teach or suggest that each region of a utility service network is classified into a class of service, as recited in claim 10. *Lof* and *Johnson* are directed to groups of power providers, not classifying classes of service for regions of a utility service network. *Johnson* at most teaches that end-users are grouped in at least two classes for purpose of imposing tariffs, but not for classifying regions of a utility service network into classes of service, as claimed. *Johnson* is unconcerned with the end user, except in how the end users indirectly affect the auction process among the power providers. *Lof* teaches service contracts for reducing power available to certain customers when a reduction in power available occurs. However, *Lof* does not teach or suggest a region of a utility network or the classification of such a region into a class of service. *Yabutani* is directed to an energy saving service offered at a supervised load facility. *Yabutani* is not concerned with a utility network, much less a region of a utility network or the classification of such a region into a class of service. Thus, the proposed combination does not result in the present invention as recited in claim 10.

The examiner further states that it would be obvious to combine *Lof* and *Yabutani* with *Johnson* to arrive at the features of the claimed invention. However, as discussed above in regard to claim 10, *Johnson* does not cure the deficiencies in *Lof* and *Yabutani*. Therefore, the combination of *Lof* and *Yabutani* with *Johnson* do not render claim 10 unpatentable because the combination does not describe, teach, or suggest modifying utility service consumption in a region of a utility service network or classifying a region of a utility service network into a class of service.

3. The proposed combination does not result in the claimed invention.

Even if *Lof* and *Yabutani* were combinable with *Johnson*, the result of such a combination would not be the invention as recited in claim 10. Rather, such an alleged combination would result in a system for producing more power at other power plants on a grid in case of a reduction of power production at a windmill location, as taught in *Lof*, with a method for calculating saved electrical power due to installation of an inverter, in the manner described by *Yabutani*, and an auction service that stimulates competition between energy suppliers, as disclosed by *Johnson*. Even with the additions of *Lof*, *Yabutani*, and *Johnson*, there would be no modifying utility service consumption in a region of a utility service network or classifying a region of a utility service network into a class of service, as recited in claim 10 of the present invention.

4. No motivation, teaching, or suggestion exists to combine the references because the references address different problems.

Furthermore, as discussed above in regard to claim 129, one of ordinary skill in the art would not combine *Lof* and *Yabutani* with *Johnson* when each reference is considered as a whole. As also discussed above, there is no teaching or suggestion in the references as to the desirability of including the features from other references. The mere fact that a prior art reference can be readily modified does not make the modification obvious unless the prior art suggested the desirability of the modification. The examiner may not merely state that the modification would have been obvious to one of ordinary skill in the art without pointing out in the prior art a suggestion of the desirability of the proposed modification. The examiner has failed to demonstrate any motivation or incentive in the prior art to combine and modify the references so as to achieve the claimed invention. The only motivation to even to attempt to combine *Lof* and *Yabutani* with *Johnson* is to try to arrive at Applicant's claimed invention and thus, the alleged combination is a result of impermissible hindsight reconstruction using Applicant's own disclosure as an aide. While Applicant understands that all examination entails some measure of hindsight, when the rejection is based completely on hindsight, as in the

present case, rather than only what is gleaned from the references by one of ordinary skill in the art, then the rejection is improper and should be withdrawn.

5. The claimed invention solves a problem not recognized by the references.

The claimed invention solves an unrecognized problem. As recited in claim 10, the present invention recognizes the problems involved with classifying a region of a utility service network into a class of service and modifying utility service consumption in the region of a utility service network. Neither *Lof*, nor *Yabutani*, nor *Johnson* recognizes this problem. Therefore, one of ordinary skill in the art would not be motivated to combine *Lof* and *Yabutani* with *Johnson* in the manner required to form the solution presented in the claimed invention.

In view of the above, independent claims 10, 28, 43, 58, and 72 are not taught or suggested by the alleged combination of *Lof* and *Yabutani* with *Johnson*. Accordingly, Applicant respectfully requests withdrawal of the rejection of independent claims 10, 28, 43, 58, and 72 under 35 U.S.C. §103.

Claims 11, 12, 14, 29, 30, 32, 44, 45, 47, 59, 60, 62, 73, 74, and 76 are dependent claims depending on independent claims 10, 28, 43, 58, and 72, respectively. Applicants have already demonstrated claims 10, 28, 43, 58, and 72 to be in condition for allowance. Applicants respectfully submit that claims 11, 12, 14, 29, 30, 32, 44, 45, 47, 59, 60, 62, 73, 74, and 76 are also allowable, at least by virtue of their dependency on allowable claims. Consequently, it is respectfully urged that the rejection of claims 10-12, 14, 28-30, 32, 43-45, 47, 58-60, 62, 72-74, and 76 have been overcome, and such a notice is respectfully requested.

E. 35 U.S.C. § 103, Alleged Obviousness, Claims 86-88

Claims 86-88 are dependent claims depending on independent claim 80. Applicants have already demonstrated claim 80 to be in condition for allowance. Applicants respectfully submit that claims 86-88 are also allowable, at least by virtue of their dependency on an allowable claim.

III. Objection to Claims

The examiner has stated that claims 4, 8, 9, 22, 26, 27, 40-42, 55-57, 69-71, and 83-85 were objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims: Claims 4, 8, 9, 22, 26, 27, 40-42, 55-57, 69-71, and 83-85 are dependent claims depending on independent claims 1, 19, 37, 52, 66, and 80, respectively. Applicants have already demonstrated claims 1, 19, 37, 52, 66, and 80 to be in condition for allowance. Applicants respectfully submit that claims 4, 8, 9, 22, 26, 27, 40-42, 55-57, 69-71, and 83-85 are also allowable, at least by virtue of their dependency on allowable claims.

IV. Conclusion

It is respectfully urged that the subject application is patentable over the cited references and is now in condition for allowance.

The examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

DATE: December 1, 2005

Respectfully submitted,



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